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Consumer markets abroad

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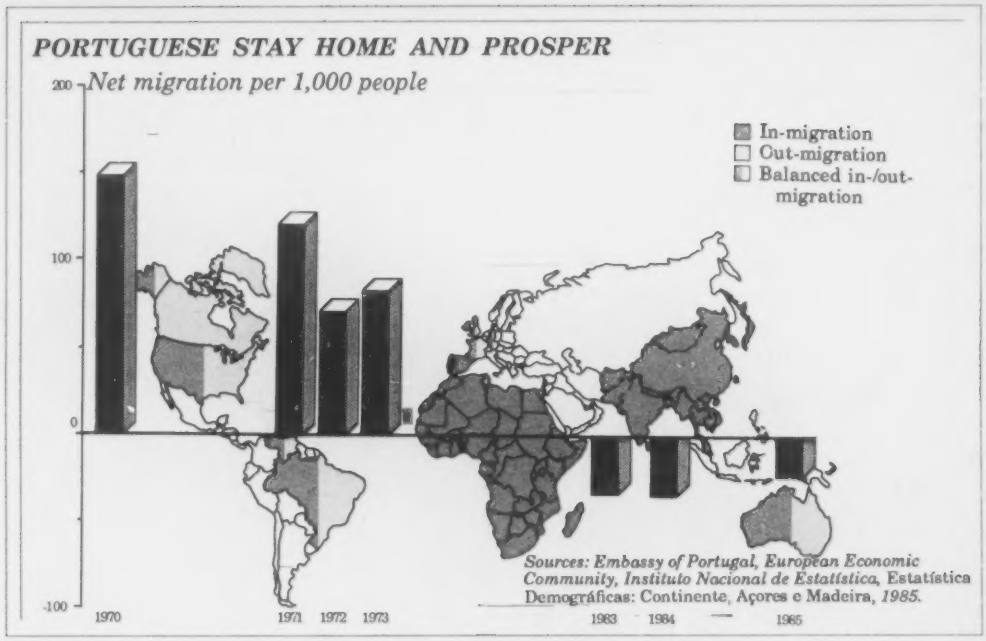
in depth

PORTUGAL: SETTING NEW GOALS FOR GROWTH



One of the most dramatic changes since Portugal's Prime Minister Anibal Cavaco Silva first came to power in 1985 is the mood of 10.2 million Portuguese. For the first time in over a decade, their country, located west of Spain along the Iberian coast, is growing *economically* as well as demographically. A slow but steady rise in the standard of living may finally offset the 0.9 percent growth in the nation's population.

Portugal's three major regions—the Continent, the Azores Archipelago, and the Madeira Islands—stand to benefit from the economic liberalization and recent EEC membership that Cavaco Silva has initiated. Now, thirteen years after revolution replaced decades of dictatorial rule, the newly re-elected prime minister is not only talking individual incentive and private industry, but he is doing so to the most receptive audience any Portuguese elected official has known to date.

The significance for global business of Portugal's changing climate and 1986 entry into the Common Market is clear: government officials seek foreign investment to infuse ailing industry with badly needed capital. Given the relative poverty the Portuguese have suffered in the past two decades, liberalization should mean economic improvement.

Prime Minister Cavaco Silva's

Coming next month: *Trends and Opportunities Abroad, 1988...* a complete guide to the top 50 export markets.

FORMERLY INTERNATIONAL DEMOGRAPHICS
VOLUME 6 NUMBER 11 NOVEMBER 1987

agenda includes correcting an enormous public debt—65 percent of GDP or $US 14.2 billion in 1985—which sixteen coalition governments amassed since 1974. By dismantling the state-centered economy of the 1970s, Cavaco Silva hopes to boost initiative and stimulate long overdue growth. Indeed, the plan seems to be working in the short run, as GNP growth will reach 5 percent for 1987, and fixed capital investment grew 9.5 percent in 1986, the first increase since 1982.

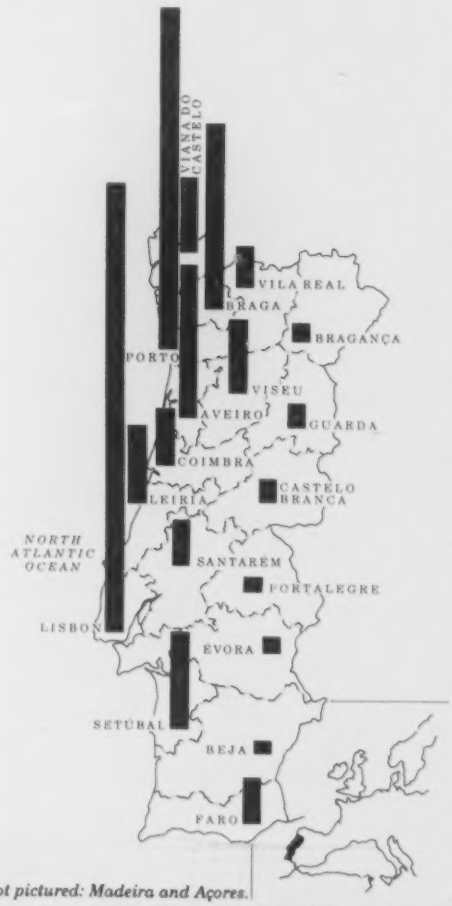
SIGNS OF RECOVERY

Portugal's recovery comes just in time. By 1978, with 20 percent inflation, 11 percent unemployment, a decline in real wages, and high foreign debt per capita, Lisbon looked to the IMF for aid. Like other IMF applicants, Portugal was forced to swallow the bitter "austerity program" pill: a cut in workers' purchasing power designed to curb runaway inflation.

But the pain of these measures, largely felt in 1983–85, has paid off. While still high by European

PORTUGAL'S DENSITY BY DISTRICT

Persons per square kilometer



Not pictured: Madeira and Açores.

EAST MOVES WEST

Population in 1985, population growth rate 1981–85, and population density of Portugal's districts

	Population in 1985 (thousands)	*Population growth rate (1981–85)*	*Population density*
Portugal	10,185	.90	111
Mainland	9,666	.88	109
Aveiro	655	1.30	233
Beja	182	-.85	18
Braga	756	1.67	283
Bragança	186	.30	28
Castelo Branco	228	-.63	34
Coimbra	446	.54	113
Évora	177	-.47	24
Faro	337	1.06	68
Guarda	200	-.63	36
Leiria	434	.83	124
Lisboa (Lisbon)	2,120	.60	768
Madeira	267	1.44	337
Porto	1,644	1.31	687
Portalegre	140	-.58	23
Santarém	460	.35	68
Setúbal	742	3.19	147
Açores (Azores)	252	.90	112
Viana do Castelo	265	.79	118
Vila Real	265	.09	61
Viseu	426	.17	85

Source: Embassy of Portugal, Instituto National de Estatística, Statistical Yearbook of Portugal, *page 3.*

Portugal's population growth has been concentrated on the west coast, where the tourist industry thrives.

Consumer markets abroad

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standards, inflation has plunged to 9.7 percent this year, and is predicted to fall even farther to 7.5 percent by 1988. At 5 percent, GNP growth will be approximately three points higher than average EEC growth. Per capita GNP has risen from $US 743 to $US 1,970 in 1986 and unemployment, already down to 9 percent by 1985, is projected to fall to 8.5 percent by 1988.

Already, the gains have translated into a current account balance of $US 1.13 billion. While exports, primarily textiles and footwear, are rising, imports, fueled by a growing middle class, are edging up as well. In 1976 imports accounted for 30 percent of GDP; by 1985 they accounted for 41 percent. Portuguese have traditionally imported oil (which added to their woes during the 1973 oil crisis) and food. Recently, however, they are joining the electronics/high-tech/telecommunications import boom.

As a new entrant into the European Common Market (see Special Report on page 10), Portugal stands to gain a great deal in the way of subsidies for agriculture, trading preference, and "inward" foreign investment. But competition for markets within the EEC is fierce, and a country just starting to nurture production of exportable goods will face many obstacles. Nonetheless, political and cultural benefits for the Portuguese people in becoming a member of the community should add to the strength of EEC membership.

THE PORTUGUESE AT A GLANCE

Continental Portugal, stretching 135 miles across its widest region and 349 miles from north to south, supports 9.7 million or 95 percent of the total Portuguese population. The Açores (Azores) Archipelago, with 252,000 people, is comprised of nine islands located about 800 miles west of the continent. Equally populated but smaller in size, Madeira and Porto Santo are located 600 miles southwest of the Iberian peninsula.

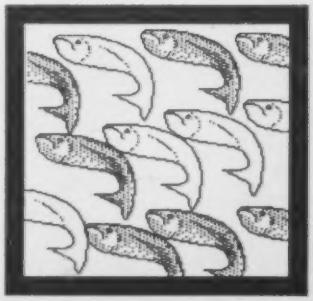
Portugal's famed coastline spans the entire western and southern border of the country; Lisbon, Porto, and most other major cities are situated along this Atlantic coast, which has become the socio-economic heart of the country. Spain is the only land border lying to the north and east. Consequently, its actions are closely monitored by an otherwise isolated neighbor.

On average, a Portuguese man will live to be 68 and a woman to be 75 years old. For the country as a whole, life expectancy is 71 years from birth. Just seventeen years ago, however, a Portuguese man could only expect to live 64 years and a woman 70. This prolongation of life indicates a general improvement in the health and lifestyle of most Portuguese. The seven year difference on average between men and women matches gender differences for life expectancy in most European countries. The total length of life, however, is slightly shorter, as Swedish men (on average) live to 74 and French women live to 80.

Total population in Portugal has been growing fast—a novelty in Europe today. Whereas aging populations in most EEC countries, particularly in the north, have experienced a dramatic fall in fertility rates, the total Portuguese population, one quarter of which is under 15 years old, increased 13.6 percent from 1971 to 1981, when the last census was taken. Since 1981, the population has grown at a rate of 0.9 percent per year, and projections into the year 2000 forecast 11.1 million Portuguese.

Growth is unevenly distributed among the different *distritos,* or districts, in Portugal (each of which

Total population in Portugal has been growing fast—a novelty in Europe today.



Given the fact that domestic industry is not yet equipped to meet rising consumer demand, Portugal is poised for an influx of imports in a variety of markets, such as food, appliances, electronics, and automobiles.

is named for the capital city of that district). In general, the west is growing at the expense of the east, and coastal areas, popular for tourism, show the biggest gains. Population grew an astounding 3.2 percent in Setúbal between 1981 and 1985. Along the scenic Algarve coast, in the district of Faro, population increased 1.1 percent. Other coastal areas with big gains during this four year period were Aveiro, Braga, Porto, and the Madeira Islands. The less prosperous east continued to lose people, especially in the districts of Beja, Castelo Branco, Évora, and Portalegre.

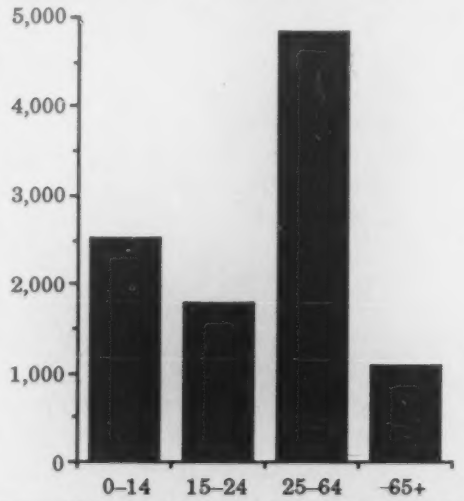
Nearly one half of all Portuguese are in their prime working years (aged 25 to 64). Economic liberalization could not have been better timed from an age standpoint since the potential for growth and spending, especially on household durables and light industrial goods, is strong. Given the fact that domestic industry is not yet equipped to meet the rising consumer demand, Portugal is poised for an influx of imports in a variety of markets, such as food, appliances, electronics, and automobiles.

Space is at a premium in this country, which is one of the most densely populated in Europe. As of 1985, there were 111 people per square kilometer—up from 106 in 1981. This figure is deceiving, though, since such a large majority of the population resides in the west. Especially in the capital Lisbon (population 0.8 million) and second largest city Porto (population 0.3 million), crowding is severe, with modern high rise buildings jutting up against shanty towns.

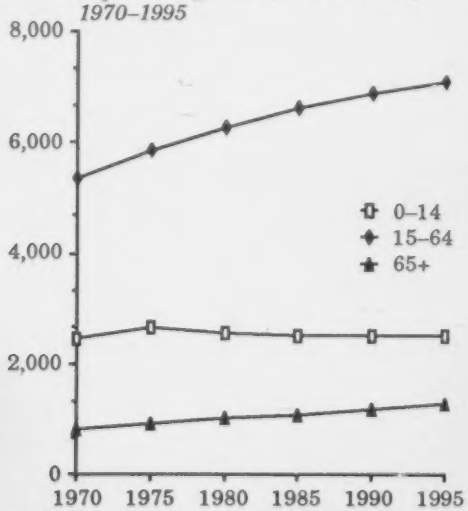
Lisbon and Porto housed 39 percent of the 2.9 million inhabitants counted as urban dwellers in the 1981 census. The remaining urban centers in Portugal are comparatively small (only six had populations over 20,000 in 1981). Portugal's astoundingly low urbanization (29.7 percent) complicates Cavaco Silva's attempts to raise the level of technology in industry. The percentage of workers employed in industry and construction has remained virtually constant—nearly 35 percent—for a decade. Farming

A HEALTHY WORKFORCE WILL GROW

Population (in thousands) by age group, 1986



Population growth (in thousands), 1970–1995



Source: US Bureau of the Census, Center for International Research.

has not boosted sluggish productivity, since agriculture only contributes 10 percent to GNP while employing 22 percent of the workforce. Small and large farms are ill-equipped and sorely in need of modernization.

One positive sign for growth is declining employment in agriculture and growing employment in services. The agricultural sector has lost 8.6 percent of the workforce to services since 1976. Nevertheless, six million Portuguese reside in rural areas, and Cavaco Silva must mobilize this group in order to achieve his goals.

TRADITION SHAPES THE PORTUGUESE FAMILY

In general, Portuguese get married, stay married, and have more children than their European counterparts. There were 69,000 marriages recorded in 1985, and only 9,000 divorces. In comparative terms, for every 1,000 people, 6.7 get married in Portugal, but only 5.8 get married in the EEC as a whole. Similarly, 0.8 per 1,000 Portuguese will split up for every 1.5 that part company throughout Europe.

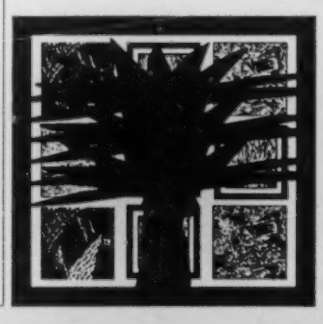
Religion is an important factor in these trends. Few countries are so religiously homogeneous as Catholic Portugal. In 1985, 96 percent of the population had been baptized Catholic. Of the 69,000 marriages recorded in 1985, 50,759 couples (74 percent) participated in a Catholic wedding ceremony. There were only 100,000 Protestants and 600 Jews in the entire country as of 1980. Clearly, strong adherence to Catholicism has been one factor in keeping the divorce rate so low, while in countries such as Sweden and Denmark over 45

In general, Portuguese get married, stay married, and have more children than their European counterparts.

PUBLIC AND PRIVATE CONSTRUCTION
Private homes increase as a percentage of total housing completed

	1983	*1985*
Building permits granted		
all buildings	55,017	45,225
residential buildings	44,555	35,983
Buildings completed		
all buildings	24,527	22,719
residential buildings	19,112	17,900
Dwellings completed		
by type of investment (%)		
private individuals	55.6	58.7
state and local authorities	14.3	5.9
private bodies	27.9	30.5
building societies	2.0	4.5
public enterprises	0.1	0.1
by type of facilities (%)		
piped water	96.7	97.2
discharging pipes	97.8	99.4
electricity	99.4	99.9
sanitary facilities	100.0	100.0
central heating	4.5	5.5
Number of dwellings per building	2.0	2.0
Average number of rooms per dwelling	4.9	4.9
Average area of rooms (square meters)	14.1	14.4
Average cost per dwelling ($US)	13,272	18,512
Average cost per room ($US)	2,730	3,775
Average cost per square meter ($US)	97	121

Source: Embassy of Portugal, Instituto Nacional de Estatística, Statistical Yearbook of Portugal, *page 17.*



trendwatch Portugal

Rising middle class fuels demand.

Employment in the service sector replaces employment in agriculture.

Total fertility rate and average household size remain higher than EEC counterparts.

Economic gap between Portugal and other EEC households is narrowing.

percent of all marriages end in divorce.

The average birth rate for the nation, which grew from 12.8 per 1,000 inhabitants in 1985 to 14.5 per 1,000 this year, belies large regional differences within the country. Data from 1985 show extremely high birth rates—18.3 and 15.4—for the Açores and Madeira Islands, respectively. The northwestern district of Braga also shows a high birth rate: 16.8 per 1,000. Lower rates were recorded in the regions of Beja, Castelo Branco, Evora, Portalegre, and Santarém.

Women in Portugal tend to have more children than their northern European counterparts: higher order births are common. Second births accounted for 31.5 percent of all births in 1985, and third births accounted for 11.3 percent. A Portuguese woman's total fertility rate (the average number of lifetime births per woman at current age-specific fertility rates) is 2.1, higher than nearly every Western European nation save Iceland, Ireland, Liechtenstein, and Malta. The size of the average household is also comparatively high at 2.86 persons per household for 1981. Average household size has fallen considerably since 1970 when it was 3.16. One explanation for this decline may be the increased number of persons living alone.

Parents are relatively young and partially educated. In 1985 women aged 20–24 gave birth to 33.9 percent of all children born that year. Most fathers of these toddlers (34.3 percent) were between 25 and 29 years old. A majority of women who gave birth had completed primary school (64.3 percent), but few had finished secondary school (15.9 percent) and a very small number received some form of higher education (3.2 percent).

Death rates, particularly infant mortality rates, are relatively high in Portugal. Nationally, the Census Bureau projects that 9.6 persons will die for every 1,000 Portuguese this year. In Beja, Castelo Branco, Guarda, and Portalegre, however, more that 13 per 1,000 Portuguese passed away in 1985. Braga and Porto recorded the lowest death rates in 1985: 7.6 per 1,000.

Portugal is still far from its goal of modernization by infant mortality standards. In 1985, 17.8 babies under age one died for every 1,000 live births. This was by far the highest infant mortality rate in the EEC. Regionally, Bragança, Vila Real, and the Açores Archipelago have remarkably high rates at 27.1, 24.8, and 21.8, respectively.

SLOW CHANGES IN CONSUMPTION PATTERNS
Consumption expenditure as percent of total

Consumption category	*1977*	*1980*	*1982*
Food	36.4	32.6	31.1
Beverages	2.9	2.6	2.7
Tobacco	1.7	2.1	2.2
Clothing and footwear	9.1	11.1	11.6
Gross rent, fuel and power	7.0	6.4	5.7
Furniture and household equipment and operations	10.3	10.0	10.0
Medical care and health expenses	3.9	4.4	4.4
Transport and communication	12.3	13.7	15.2
Recreation, entertainment, education and cultural services	4.8	4.7	5.2
Miscellaneous goods and services	11.6	12.5	11.9

Source: European Marketing Data and Statistics 1986/87, *Euromonitor Publications, distributed by Gale Research Company, Detroit, MI, page 275.*

FROM EMIGRATION TO IMMIGRATION

Until 1974, when dictators António Salazar and then Marcello Caetano favored political strength to economic welfare, thousands of Portuguese north of the Tagus river abandoned their villages in search of better lives. Indeed, by 1975 one-third of the Portuguese labor force lived abroad—700,000 in France alone. Today emigration has come to a screeching halt, largely as a result of the prospects for economic gain at home.

Only 14,944 people left Portugal in 1985; in 1970, the peak year for emigration, 1.3 of 9.0 million left the country. During both periods, more than half of all emigrants went to Europe. Other emigrants, for the most part, left for North America.

Not only has a long period of emigration ended, but immigration has begun to take root in Portugal, as former colonial subjects from Africa rekindle their old association. The African countries of Angola, Mozambique, Guinea-Bissau, the Cape Verde Islands, São Tomé, and Principe were all part of the Portuguese empire until the mid-1970s when they gained independence. Recently, some citizens from these countries have immigrated to Portugal, a country whose language and customs became familiar to them through colonization. The total foreign population in Portugal with legalized residence as of 1985 was 79,594. Forty-seven percent are African and more than 31 percent come from the Cape Verde islands alone. Predictably, the Lisbon district, containing Portugal's capital city, is home to more than half of these foreigners.

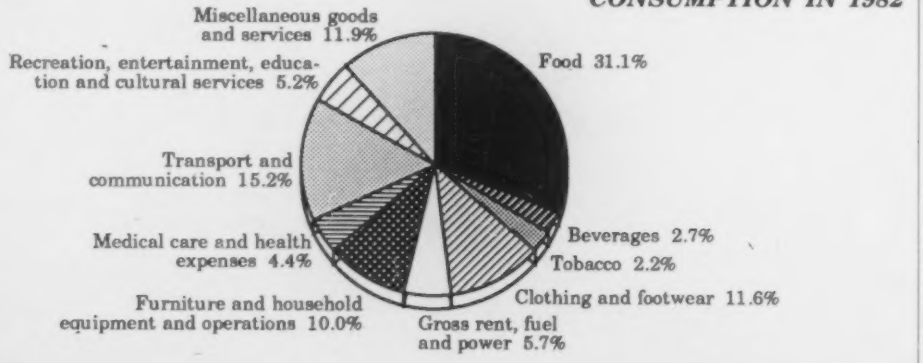
RISING MIDDLE CLASS HOUSEHOLDS FUEL DEMAND

Households in Portugal are less likely to have the amenities commonly found in the households of other European countries. The rural character of Portugal is responsible in part for the fact that only 73 percent of households as of 1986 are served by electricity, only 58 percent have piped-in water, 63 percent a toilet, and 47 percent a shower or bath.

But the gap is closing fast. Nearly 100 percent of new homes have piped-in water and a bathroom, even though only 6 percent have central heating. Sixty-six percent of households have a black and white television, 70 percent have a refrigerator, and 30 percent have a washing machine. Slightly more frivolous commodities, however, are still rare. Only 17 percent of

Today emigration has come to a screeching halt, largely as a result of the prospects for economic gain at home. Only 14,944 people left Portugal in 1985; in 1970, the peak year for emigration, 1.3 of 9.0 million left the country.

CONSUMPTION IN 1982


Miscellaneous goods and services 11.9%
Recreation, entertainment, education and cultural services 5.2%
Transport and communication 15.2%
Medical care and health expenses 4.4%
Furniture and household equipment and operations 10.0%
Gross rent, fuel and power 5.7%
Clothing and footwear 11.6%
Tobacco 2.2%
Beverages 2.7%
Food 31.1%

Source: European Marketing Data and Statistics 1986/87, *Euromonitor Publications, distributed by Gale Research Company, Detroit, MI, page 275.*

Portuguese households have a color television, 15 percent have a freezer, and less than half of all households own sewing machines and record players.

One of the largest demographic and economic changes occurring in Portugal at the moment is the rise of a new middle class. As income, earned and augmented through private stock ownership and investment in changing capital markets, continues to grow, families will gain the means to buy anything from French wine, American computers, or European vacations to Japanese cars.

In 1985 more women were enrolled in secondary education as a percentage of the secondary school age group than men.

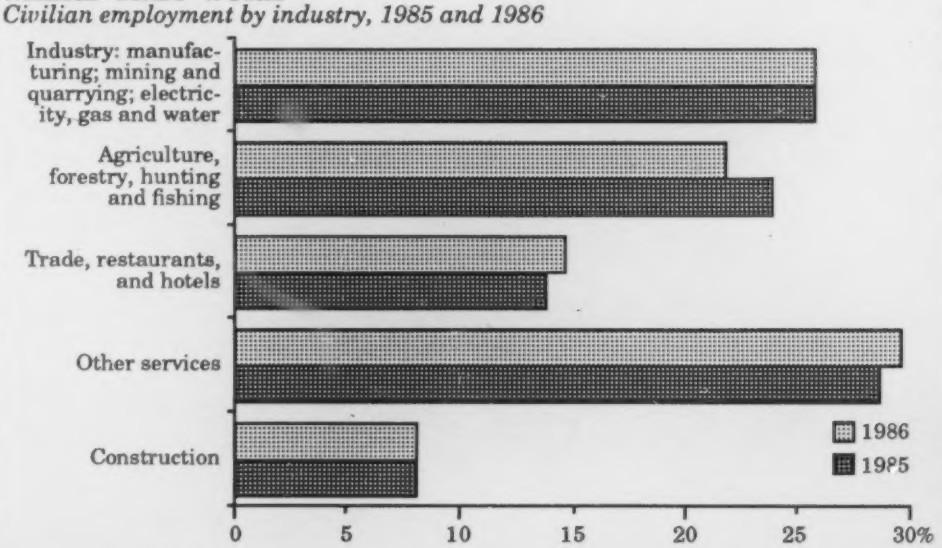
Nonetheless, Portuguese incomes still fall far short of their European counterparts. "It dismays a Portuguese chairman somewhat to learn that an engineering employee has passed exams for, and has accepted, a job with the EC Commission in Brussels at a salary more than double the chairman and the deputy chairman's earnings put together," explains journalist Diana Smith in *Europe*, (January/February 1987). Put another way, some sales representatives in Spain earn more than half the salary of some Portuguese companies' vice presidents.

But changes in consumption patterns point to increasing prosperity. Spending on clothing has increased while spending on food has decreased. In 1977, 36.4 percent of total expenditure went for food and 9.1 percent went for clothing. By 1982, 31.1 percent went to food and 11.6 percent to clothing. Restaurants and movie houses are busy again; television commercials on state-run networks advertise new household items for sale. Finally, between 1976 and 1985 the annual average growth in collective consumption was 4.2 percent, the highest in the EEC.

SOCIAL INDICATORS

Literacy is low for a country like Portugal. Seventy-eight percent of all men and 65 percent of all women are literate, yielding an average literacy rate of 71 percent for the country as a whole. In 1985 there were 17,343 educational institutions and 135,958 teachers. More

WHERE THEY WORK
Civilian employment by industry, 1985 and 1986



Source: Embassy of Portugal, Instituto Nacional de Estatística, Statistical Yearbook of Portugal, *page 6.*

than 325,000 students completed primary school; 152,000 finished secondary school and 11,000 graduated from some form of higher education such as Coimbra University (Portugal's oldest university), the University of Lisbon, or the University of Oporto.

Women have made some modest gains in recent years. In 1985 more women (56 percent) were enrolled in secondary education as a percentage of that age group than men (54 percent). Labor force participation for women in Portugal stands at 53 percent, which is slightly higher than France, West Germany, Italy, and Switzerland. In theory women are required equal pay for equal work by law. As for pregnancy, 66 percent of women aged 15 to 49 use some type of contraceptive. Dramatic change, however, came in 1984 with the legalization of abortion for cases involving incest, rape, and deformed fetuses.

Statistics on health show growing patient needs and diminishing facilities. One striking example is the increase of inpatients and the decrease of inpatient health institutions between 1981 and 1985. The number of inpatients jumped from 917,000 to 990,000 in those years; the number of institutions dropped from 496 to 380. Consequently, the number of beds per 1,000 Portuguese dropped from 5.2 to 4.0.

SOURCES

The Portuguese Statistical Office, Instituto Nacional de Estatística, provides some excellent information on current demographics. Of these, the most useful sources are *Estatística Demográficas: Continente, Açores e Madeira, 1985* and *XII Recenseamento Geral Da População, II Recenseamento Geral Da Habitação: Resultados Definitivos, 1981,* which gives the results of the 1981 census. Other publications by the Instituto Nacional de Estatística include a monthly bulletin of statistics, monthly indices of production, and annual statistical yearbooks for nearly every sector of the economy. Many of the annual yearbooks are available in English. To order any of these publications, write No Instituto Nacional De Estatística, Avenida António José De Almeida, 1078 Lisboa Codex, Portugal.

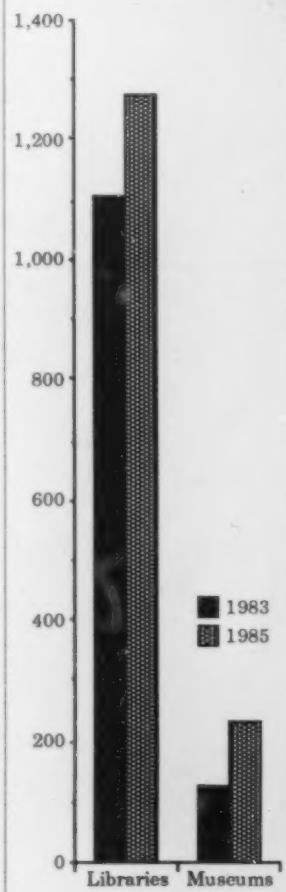
For comparative data, The European Community's publications, especially *Eurostat,* are excellent. *Eurostat,* which appears annually, provides detailed statistical analysis in the following categories: general information, national accounts, finance, balance of payments, population and social conditions, industry and services, agriculture, forestry and fisheries, and foreign trade. The comprehensive volume provides data for each country individually, and for the European Community as a whole (with and without the new entrants, Portugal and Spain). To order EEC publications in the U.S. call (202) 862-9500 or write European Community Information Service, 2100 M St., N.W., Suite 707, Washington, D.C., 20037.

The Population Reference Bureau publishes a quarterly bulletin that provides excellent demographic analysis. The March 1987 *Population Bulletin* provides an insightful overview of population trends in Europe (see *Consumer Markets Abroad,* August 1987). Author Dirk J. van de Kaa explores possible reasons for the changes in marriage and fertility since World War II. To order this bulletin call (202) 639-8040 or write Population Reference Bureau, Inc., Circulation Department, 777 14th St., N.W., Washington, D.C., 20005.

—Blayne Cutler

PORTUGUESE CULTURAL FACILITIES INCREASE

Number of libraries and museums, 1983 and 1985



Source: Embassy of Portugal, Instituto Nacional de Estatística, Statistical Yearbook of Portugal, *page 5.*

special report

PORTUGAL'S NEW MEMBERSHIP IN THE COMMON MARKET

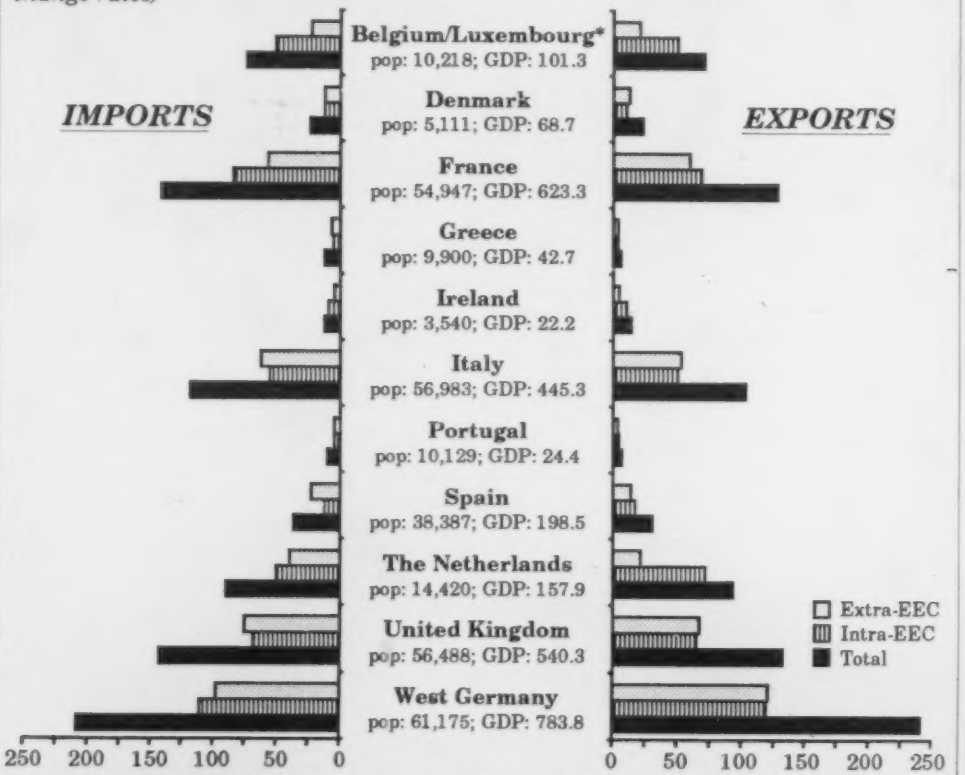
In a move that made it bigger, but perhaps more economically vulnerable, the European Economic Community (EEC) enlisted Portugal and Spain into its organization on January 1, 1986. The move strengthened the EEC's hopes for a more unified Europe, and has provided Portugal—the poorest of the 12 EEC countries—with an opportunity to improve its burgeoning economy and claim its place in the modern world.

As part of a ten year accession period, the EEC has awarded Portugal aid worth approximately $US 735 million. The majority of these funds will go toward modernizing Portugal's inefficient, predominantly agricultural sector. the fact that 25 percent of all workers tend farms, Portuguese still import half of their food and animal feed—and that's when times are good. When times are hard, agricultural imports can swell up to 70 percent and cost over $US 1 billion.

Modernization of the agricultural sector will significantly alter the lifestyle of the Portuguese farmer, particularly in the north. Many of these 800,000 subsistence farmers face dislocation; their migration to urban areas may exacerbate Portugal's severe metropolitan housing and unemployment problems. Furthermore, in an effort to avoid a flood on European markets, the EEC has imposed temporary quotas on Portuguese wine, olive oil, and

EEC TRADE COMPARED

Imports and exports of EEC countries in billion ECUs (1 ECU=$US .98 in 1986); 1984 population (thousands); 1984 GDP (billion ECUs at current prices and exchange rates)



** Statistics here are combined for Belgium and Luxembourg. Individual values: Belgium: population: 9,852; GDP: 96.9 Luxembourg: population: 366; GDP: 4.4*

Source: European Economic Community, Eurostat Review 1976–85, *pages 35 and 191; Instituto Nacional de Estatística,* Statistical Yearbook of Portugal, *page 28.*

other agricultural commodities. But the elimination of tariff barriers within Portugal for European household goods and electronics is resulting in a stampede of cheaper luxury items. During this transition period, Portugal will buy more than it can sell.

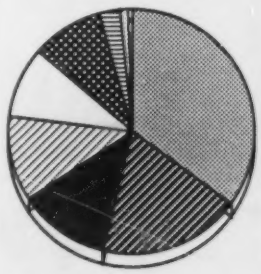
For the average Portuguese consumer with a per capita income of $US 1,970, the growing appearance of affordable hi-fi's from Luxembourg and home computers from West Germany is a welcome boon. But the thrill may be temporary, as food prices increase in an effort to keep up with the heated economy. Tourists who once flocked to Portugal for an inexpensive trip to the Old World may feel the squeeze of modern times, particularly in the once quaint, inexpensive Portuguese restaurants. The days of the cheap summer on the Iberian coast may belong to the past.

On the positive side, Portugal stands to gain on almost every economic level once transitional kinks are smoothed. Efforts to encourage competition, deregulation, and foreign investment are all healthy signs in that direction. The EEC's willingness to allow Portugal to adapt slowly, and to become competitive field by field, is another indication that the sudden disorienting flight from Old World to New can happen with minimal jet lag.

EEC strategies for the future focus on developing high-tech manufacturing capabilities that can compete with America and Japan. In order to develop these capabilities, the EEC as a whole must become more competitive globally. While countries like Portugal and Spain are not yet technologically advanced, their entry into the EEC represents a certain European solidarity. Twelve countries are better than 10; there is strength in numbers. It's an old strategy, and the EEC is banking on countries like Portugal to help make it pay off. Literally. In this way, Portugal stands to gain where the EEC gains, and to lose accordingly.

—Franklyn A. Crawford

WHAT'S IN AN ECU?
Composition of the ECU by currency



- D-mark 34.9%
- French franc 19.0%
- Pound sterling 11.9%
- Dutch guilder 11.0%
- Italian lira 9.4%
- Belgian franc 9.1%
- Danish krone 2.8%
- Irish punt 1.1%
- Greek drachma 0.8%

Source: The Economist, *September 19, 1987, page 94.*

WHO'S GOT THE GADGETS?
Ownership of TVs (in 1983), telephones (1983) and passenger cars (1984) in the EEC, per 100 inhabitants*

** Denmark: 72 telephones per 100 inhabitants*
Source: European Economic Community, Eurostat Review 1976–85, *page 98.*

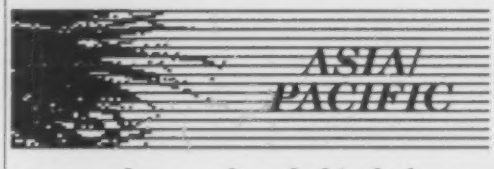
regions

SINGAPORE, CANADA, LATIN AMERICA

RENTS WORLDWIDE
Average monthly rents for apartments in selected cities, in $US

City	Average monthly rent ($US)
Jiddah	800
Hong Kong	750
New York	617
Tokyo	552
Sydney	450
London	430
Calgary	384
Brussels	340
Dublin	340
Bogotá	320
Milan	310
Rio de Janeiro	310
Zürich	310
Toronto	304
Oslo	290
Paris	280
Athens	270
Osaka	268
Bombay	260
São Paulo	260
Montreal	244
Manila	240
Stockholm	240
Seoul	230
Helsinki	200
Mexico City	200
Istanbul	180
Madrid	170
Amsterdam	160
Tel Aviv	130
Vienna	130
Bangkok	100
Cairo	90
Jakarta	80
Singapore	50
Beijing	32

Source: The Book of World Rankings, *The Free Press, Macmillan Inc., 1986.*



Singaporean Labor Minister Lee Yock Suan warns of discrimination against older Singaporean workers. Mr. Lee urged employers to stop hiring foreign workers until the large group of unemployed elderly have found work.

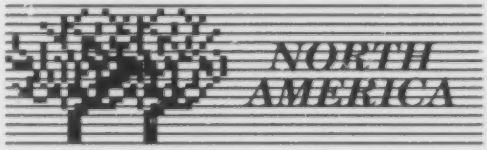
According to *The Straits Times*, a Singaporean daily newspaper, Lee explained that "some employers still stipulate age limits of 40, 35, or even lower in their job advertisements. This cuts out older workers who may be suitable for the job, and is grossly unfair to them."

The Ministry of Labor calculated the median duration of unemployment for those aged 20 to 24 as 12.7 weeks in 1985. For workers aged 35 to 39, unemployment lasted 23.5 weeks, and for those aged 45 to 49, joblessness lasted 25.4 weeks.

But Trade and Industry Minister Lee Hsien Loong counters that the introduction of foreign workers does not hurt the local elderly. He urged that older employees should "render themselves attractive to employers" by developing basic skills. While Trade Minister Lee acknowledged that the rate of joblessness is higher for older Singaporeans, he noted that during the past year the number of unemployed males over 35 had declined from 19,900 in June of 1986 to 15,400 in June of 1987.

On October 3, 1987, Canada and the United States signed a trade agreement which proposes to eliminate all trade barriers between the two countries. While specific details of the agreement are incomplete, the agreement is expected to dramatically increase economic ties between the two countries. Proponents of the agreement estimate that Canada's GNP is likely to increase by 5 percent and the United States' GNP by 1 percent as a result of the accord.

With a population of 27 million, one tenth of the United States figure, Canada is predicted to gain more signficantly as a result of the treaty. In 1986, trade with the United States, their largest trading partner, amounted to $US 120 billion.



Industries most likely affected by the new trade laws are grain, electronics, lumber, beer, automobiles, and fishing. The fishing industry provides a clear example of how the agreement would affect both countries. Canadian fishermen are subsidized by their government and U.S. imports of Canadian fish are restricted by law. Both actions could be terminated under the new treaty.

A college educated, British Columbian male whose household income is greater than $C30,000 is more likely to use a 35 mm camera than any other type of photographic equipment available, according to the Canadian Consumer Photographic Survey.

The study, which examines Canadian ownership, usage of, and

preference for photographic equipment, also claims that 89 percent of Canadian households own some type of camera. As household income grows, so does sophistication of camera ownership.

The newest camera in most Canadian households is a 35 mm Rangefinder because of its picture quality and operating ease. A disc camera, however, was valued for its convenient size, low price, and simplicity.

Canadians make snap decisions when purchasing a camera. Eighty-one percent of Canadian households took only one day to decide on their newest camera purchase. The factors that affected their decision most were brand names and the competence of camera salespeople. Most families purchase their cameras from a camera specialty store or a department store rather than a drugstore or a mail order catalogue.

Future camera purchases are planned for 18 percent of households, but 48 percent of that total will wait at least a year before they buy. Over half plan to buy a 35 mm camera, and 18 percent will join the video craze. Fully 27 percent of those Canadians who say they'll buy photographic equipment plan to spend $C300 to 499 on their purchase.

For more information on Canadian photographic preferences and consumer behavior, contact the Photo Marketing Association International, 3000 Picture Place, Jackson, Michigan 49201.

"A university degree does not guarantee—and least of all to a Latin American woman—a top job at decision-making level," says Eulalia D. de Conde in the Statistical Bulletin of the OAS.

The study, *Women's Choice of University Careers in Six Latin American Countries,* shows that in Argentina, Chile, Colombia, Panama, Paraguay and Peru, the number of female graduates from university has been "steadily rising," but more women are choosing "less competitive" or solitary careers.

De Conde defines "less competitive" as those careers in which one can work "without the undue [labor market] stress inherent in other careers." Examples include accountancy, scientific research, dentistry and odontology. In Peru

the percentage of women who chose "less competitive" careers of total women graduates rose from 2.7 in 1970 to 14.4 in 1982. Panamanian women chose "less competitive" careers 17.9 percent of the time in 1975 and 23.5 percent of the time in 1982.

Chilean and Peruvian women most frequently enter "traditional female careers," which fall into the categories of education, medicine (mostly nursing), and social sciences. Eighty percent of Chilean college graduates entered these fields in 1981 as did 58 percent of Peruvian women in 1982. The study also claims that the majority of women do not enter "high prestige careers," which include lawyers, physicians and engineers.

For more information or a copy of the study, write Sales and Promotion Unit, Department of Publications, General Secretariat of the Organization of American States, Washington, DC 20006.

Reminder:

Your December issue of Consumer Markets Abroad *will be the 1988 edition of* ***Trends and Opportunities Abroad,*** *your updated reference to overseas markets.*

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CONSUMER MARKETS ABROAD: *1987 INDEX*

(formerly INTERNATIONAL DEMOGRAPHICS)

This index is for January through November. It indexes both *International Demographics* (from January through March), and *Consumer Markets Abroad* (from April through November). Consult the index under the most important word. For example, find "international advertising" under "advertising." Remember that additional country information may occur under regional or continental headings; so for information on Colombia in a regional framework, check "Latin America."
Starred (*) items are book reviews.

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—compiled by Robert Kibbee

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publications

PROTECTING THE EUROPEAN CONSUMER

European Regulation of Advertising, by Rein Rijkens and Gordon E. Miracle, 1986, Elsevier Science Publishers B.V. Order from Elsevier Science Publishing Company, Inc., 52 Vanderbilt Avenue, New York, NY 10017. $55.00.

The heyday of post-World War II consumerism has led to the accusation that advertisers control our wants and needs. Some fear marketers' insistence that we want things we don't yet know exist. As a result, the advertising industry has been subject to various controls and regulations in order to protect the consumer. Authors Rijkens and Miracle focus on this regulation on a supranational level. They present a comprehensive historical overview of advertising regulation in the EEC, with an eye toward future regulatory developments.

Believing in the consumer's right "to safety, to choose, to be heard, to be informed and to be educated," as well as the industry's right to advertise, Rijkens and Miracle offer recommendations designed to reflect the interests of all parties. Responsibility, they assert, ultimately rests with the advertisers who must "act as the custodians" of freedom by self-regulating their own industry.

—Janet McClafferty

It may be shocking for TV pollsters to learn that more is not necessarily better. *Peter Menneer, of the BBC Broadcasting Research Department, claims that "measures of programme appreciation are...a crucial and necessary 'complementary currency of achievement' to the numbers." Menneer's award-winning paper,* ***"Audience Appreciation—A Different Story From Audience Numbers,"*** *appears in the July 1987 issue of the* Journal of the Market Research Society.

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